



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 24, 2002

### **S. 2527**

**A bill to provide for health benefits coverage under chapter 89 of title 5, United States Code, for individuals enrolled in a plan administered by the Overseas Private Investment Corporation**

*As ordered reported by the Senate Committee on Governmental Affairs  
on October 9, 2002*

S. 2527 would convert employees and annuitants with health insurance administered by the Overseas Private Investment Corporation (OPIC) to coverage under the Federal Employees Health Benefits (FEHB) program. All current enrollees in the plan offered by OPIC would be considered eligible for coverage under FEHB. Based on information from OPIC, CBO estimates this conversion would affect fewer than 70 people.

The health insurance administered by OPIC is funded from budget authority from offsetting collections, and is subject to annual appropriation. The insurance for both active workers and annuitants is purchased with those appropriated funds. Under current law, CBO estimates that OPIC will spend about \$7 million for health insurance for active workers and annuitants over the 2003-2012 period.

CBO estimates that S. 2527 would not have a significant effect on aggregate federal spending. However, it would change the budgetary treatment of that spending: Spending on annuitants in the FEHB program is considered direct spending, whereas spending for active workers is included in the appropriations for salaries and expenses for each agency.

CBO does not count future transfers of discretionary funds from OPIC as mandatory offsetting receipts under S. 2527, because those transfers are subject to future appropriations acts. Assuming the appropriation of the necessary amounts, CBO estimates that OPIC would transfer \$3 million to the Office of Personnel Management over the 2003-2012 period for its annuitants. CBO estimates that making the health insurance payments mandatory (through the FEHB program) direct spending would increase by less than \$500,000 in 2003, by \$1 million over the 2003-2007 period, and by \$3 million over the 2003-2012 period.

S. 2527 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Alexis Ahlstrom. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.